

CRAVATH, SWAINE & MOORE

JUN 27 1979-3 20 PM

ONE CHASE MANHATTAN PLAZA

INTERSTATE COMMERCE COMMISSION

NEW YORK, N.Y. 10005

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CABLE ADDRESSES
CRAVATH, N.Y.
CRAVATH, PARIS
CRAVATH, LONDON E.C. 2

No. 9-178A/B30
Date JUN 27 1979
Fee \$100.00
ICC Washington, D. C.

June 25, 1979

Funding Systems Railcars, Inc.
Upper Merion and Plymouth Railroad Company
Lease Financing Dated as of May 1, 1979
13% Conditional Sale Indebtedness Due 1980-1992
[CS&M Ref: 5506-001A]

RECEIVED
JUN 27 3 12 PM '79
FEE OPERATION BR.
I.C.C.

Dear Sirs:

Pursuant to 49 U.S.C. § 11303(a) I enclose herewith on behalf of Funding Systems Railcars, Inc., and Upper Merion and Plymouth Railroad Company for filing and recordation, counterparts of the following:

(1)(a) Conditional Sale Agreement No. 2 dated as of October 26, 1978, between Funding Systems Railcars, Inc., and Shenandoah-Virginia Corporation;

(1)(b) Agreement and Assignment dated as of May 1, 1979, between Aetna Business Credit, Inc. and Shenandoah-Virginia Corporation;

(2)(a) Lease of Railroad Equipment dated as of May 1, 1979, between Funding Systems Railcars, Inc., and Upper Merion and Plymouth Railroad Company; and

(2)(b) Assignment of Lease and Agreement dated as of May 1, 1979, between Funding Systems Railcars, Inc., and Aetna Business Credit, Inc.

Counterparts to -
- A
- B
- C

The addresses of the parties to the aforementioned agreements are:

Lessor-Vendee:

Funding Systems Railcars, Inc.,
1000 RIDC Plaza,
Pittsburgh, Pennsylvania 15238.

Builder-Vendor:

Shenandoah-Virginia Corporation,
8 North Jefferson Street,
Roanoke, Virginia 24042.

Lessee:

Upper Merion and Plymouth Railroad Company,
P. O. Box 404,
Conshohocken, Pennsylvania.

Vendor-Assignee:

Aetna Business Credit, Inc.,
Attention of Intermediate Term Lending-
Commercial Division,
P. O. Box 118,
Hartford, Connecticut 06101.

The equipment covered by the aforementioned agreements consist of 66 100-ton hopper cars, NW Class H-12 bearing the road numbers of the Lessee UMP 6304-6369, inclusive.

Enclosed is our check for \$100 for the required recordation fee. Please accept for recordation one counterpart of each of the enclosed agreements, stamp the remaining counterparts with your recordation number and return them to the delivering messenger along with your fee receipt, addressed to the undersigned.

Very truly yours,



George S. Balis
As Agent for Funding Systems
Railcars, Inc., and Upper Merion
and Plymouth Railroad Company

Mr. H. G. Homme, Jr., Secretary,
Interstate Commerce Commission,
Washington, D.C. 20423

Encls.
31N

10541 -C

RECORDATION NO. Filed 1425

JUN 27 1979 -3 20 PM

INTERSTATE COMMERCE COMMISSION

ASSIGNMENT OF LEASE AGREEMENT

Dated as of May 1, 1979

between

FUNDING SYSTEMS RAILCARS, INC.

and

AETNA BUSINESS CREDIT, INC.

ASSIGNMENT OF LEASE AND AGREEMENT dated as of May 1, 1979, by and between FUNDING SYSTEMS RAILCARS, INC. (hereinafter called the Lessor or the Vendee), and AETNA BUSINESS CREDIT, INC. (hereinafter called the Vendor).

The Vendee has entered into a Conditional Sale Agreement No. 2 dated as of October 26, 1978 (hereinafter called the Security Documentation), with Shenandoah-Virginia Corporation (hereinafter called the Builder), providing for the sale to the Vendee of such units of railroad equipment (hereinafter called the Units) described in Annex B thereto as are delivered to and accepted by the Vendee thereunder.

The Lessor and Upper Merion and Plymouth Railroad Company (hereinafter called the Lessee) have entered into a Lease of Railroad Equipment dated as of the date hereof (hereinafter called the Lease), providing for the leasing by the Lessor to the Lessee of the Units.

In order to provide security for the obligations of the Lessor under the Security Documentation and as an inducement to the Vendor to invest in the Conditional Sale Indebtedness (as that term is defined in the Security Documentation), the Lessor agrees to assign for security purposes its rights in, to and under the Lease to the Vendor.

In addition, the Vendee will assign to the Vendor as further collateral security for the obligations of the Vendee under the Security Documentation, its leasehold interest in the Units as lessee arising under the Agreement of Lease dated October 30, 1978 (hereinafter called the "Leaseback"), between Refco Rail Equipment, Inc. (hereinafter called "Refco"), and the Vendee, the Vendee having transferred to Refco its interest in the Units subject and subordinate to the prior rights of the Vendor under the Security Documentation and the Lessee under the Lease.

NOW, THEREFORE, in consideration of the premises and of the payments to be made and the covenants hereinafter mentioned to be kept and performed, the parties hereto agree as follows:

1. The Lessor hereby assigns, transfers and sets over unto the Vendor, as collateral security for the payment

and performance of the obligations of the Lessor as Vendee under the Security Documentation, all the Lessor's right, title and interest, powers, privileges, and other benefits under the Lease, including, without limitation, the immediate right to receive and collect all rentals, profits and other sums payable to or receivable by the Lessor from the Lessee under or pursuant to the provisions of the Lease whether as rent, casualty payment, indemnity, liquidated damages, maintenance escrow or otherwise (such moneys being hereinafter called the Payments), and the right to make all waivers and agreements, to give all notices, consents and releases, to take all action upon the happening of an Event of Default specified in the Lease, and to do any and all other things whatsoever which the Lessor is or may become entitled to do under the Lease. In furtherance of the foregoing assignment, the Lessor hereby irrevocably authorizes and empowers the Vendor in its own name, or in the name of its nominee, or in the name of the Lessor or as its attorney, to ask, demand, sue for, collect and receive any and all Payments to which the Lessor is or may become entitled under the Lease, and to enforce compliance by the Lessee with all the terms and provisions thereof.

The Vendor agrees to accept any Payments made by the Lessee for the account of the Lessor pursuant to the Lease. To the extent received, the Vendor will apply such Payments to satisfy the obligations of the Lessor under the Security Documentation and, so long as no event of default or event which with the lapse of time and/or demand provided for in the Security Documentation could constitute an event of default thereunder, shall have occurred and be continuing, any balance (other than the maintenance escrow contemplated by Section 7 of the Lease) shall be paid to the Lessor on the same date such Payment is applied to satisfy such obligations of the Lessor, by check mailed to the Lessor on such date or, upon written request of the Lessor, by bank wire to the Lessor at such address as may be specified to the Vendor in writing, and such balance shall be retained by the Lessor. The Vendor shall notify the Lessor at the address set forth in the Lease if the Vendor shall not receive any rental payment under the first paragraph of § 3 of the Lease when due; provided, however, that the failure of the Vendor to so notify the Lessor shall not affect the obligations of the Lessor hereunder or under the Security Documentation.

In order to provide additional security for the obligations of the Vendee under the Security Documentation,

the Vendee hereby assigns and transfers unto the Vendor as additional collateral security for the payment and performance of the obligations of the Vendee under the Security Documentation, all the Vendee's leasehold interest under the Leaseback, insofar as the same shall relate to the Units. The Vendor shall have the rights of a secured party with respect to the leasehold interest described in this paragraph upon the occurrence of an event of default under the Security Documentation and the Vendor shall be entitled to hold and dispose of such collateral in the manner set forth in Article 16 of the Security Documentation.

2. This Assignment is executed only as collateral security and, therefore, the execution and delivery of this Assignment shall not subject the Vendor to, or transfer, or pass, or in any way affect or modify the liability of the Lessor under the Lease, it being understood and agreed that notwithstanding this Assignment or any subsequent assignment for security purposes, all obligations of the Lessor to the Lessee shall be and remain enforceable by the Lessee, its successors and assigns, against, and only against, the Lessor or persons other than the Vendor.

3. The Lessor will faithfully abide by, perform and discharge each and every obligation, covenant and agreement which the Lease provides are to be performed by the Lessor; without the written consent of the Vendor, the Lessor will not anticipate the rents under the Lease or waive, excuse, condone, forgive or in any manner release or discharge the Lessee thereunder of or from the obligations, covenants, conditions and agreements to be performed by the Lessee, including, without limitation, the obligation to pay the rents in the manner and at the time and place specified therein or enter into any agreement amending, modifying or terminating the Lease and the Lessor agrees that any amendment, modification or termination thereof without such consent shall be void.

4. The Lessor does hereby constitute the Vendor the Lessor's true and lawful attorney, irrevocably, with full power (in the name of the Lessor, or otherwise), to ask, require, demand, receive, compound and give acquittance for any and all Payments due and to become due under or arising out of the Lease to which the Lessor is or may become entitled, to enforce compliance by the Lessee with all the terms and provisions of the Lease, to endorse any checks or other instruments or orders in connection

therewith and to file any claims or take any action or institute any proceedings which to the Vendor may seem to be necessary or advisable in the premises.

5. Upon the full discharge and satisfaction of all sums due from the Lessor under the Security Documentation, this Assignment and all rights herein assigned to the Vendor shall terminate, and all estate, right, title and interest of the Vendor in and to the Lease shall revert to the Lessor.

6. The Lessor will pay and discharge any and all claims, liens, charges or security interests (other than those created by the Security Documentation) on the Lease or the rentals or other payments due or to become due thereunder claimed by any party from, through or under the Lessor or its successors and assigns (other than the Vendor but including Refco), which, if unpaid, might become a claim, lien, charge or security interest on or with respect to the Lease or rentals or other payments equal or superior to the Vendor's interest therein, unless the Lessor shall be contesting the same in good faith by appropriate proceedings in any reasonable manner and the nonpayment thereof does not, in the opinion of the Vendor, adversely affect such interests of the Vendor.

7. The Lessor will, from time to time, execute, acknowledge and deliver any and all further instruments required by law or reasonably requested by the Vendor in order to confirm or further assure the interest of the Vendor hereunder.

8. The Vendor may assign all or any of the rights assigned to it hereby or arising under the Lease, including, without limitation, the right to receive any Payments due or to become due. In the event of any such assignment, any such subsequent or successive assignee or assignees shall, to the extent of such assignment, enjoy all the rights and privileges and be subject to all the obligations of the Vendor hereunder.

9. This Assignment shall be governed by the laws of the Commonwealth of Pennsylvania, but the parties shall be entitled to all rights conferred by 49 U.S.C. § 11303. The counterpart of this Assignment delivered to the Vendor shall be deemed to be the original and all other counterparts shall be deemed duplicates thereof.

10. The Lessor shall cause copies of all notices received in connection with the Lease and all Payments hereunder to be promptly delivered or made to the Vendor at its address set forth in Article 20 of the Security Documentation, or at such other address as the Vendor shall designate.

11. The Vendor hereby agrees with the Lessor that the Vendor will not, so long as no event of default under the Security Documentation has occurred and is continuing, exercise or enforce, or seek to exercise or enforce, or avail itself of, any of the rights, powers, privileges, authorizations or benefits which are assigned and transferred by the Lessor to the Vendor by this Assignment to the extent they are for the sole benefit of the Lessor and not required to satisfy the obligations of the Lessor under the Security Documentation, without the prior consent of the Lessor.

12. This Assignment may be executed in any number of counterparts, all of which together shall constitute a single instrument, but the counterpart delivered to the Vendor shall be deemed to be the original and all other counterparts shall be deemed to be duplicates thereof. It shall not be necessary that any counterpart be signed by both parties so long as each party shall sign at least one counterpart.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed in their respective corporate names by officers thereunto duly authorized, and their respective seals to be affixed and duly attested, all as of the date first above written.

FUNDING SYSTEMS RAILCARS, INC.,

by 

[Seal]

Attest:


Assistant Secretary

AETNA
BUSINESS
CREDIT
UNIT

AETNA BUSINESS CREDIT, INC.,

by Lawrence D. Stillman
Vice President

[Corporate Seal]

Attest:

[Signature]
Assistant Secretary

STATE OF *New York,*
COUNTY OF *New York,*) ss.:

On this *26th* day of *June* 1979, before me personally appeared *ALLEN E. NUGENT II*, to me personally known, who, being by me duly sworn, says that he is *Vice President* of FUNDING SYSTEMS RAILCARS, INC., that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Ann Dellarocco
Notary Public

[Notarial Seal]

My Commission expires

ANN DELLAROCCO
Notary Public, State of New York
No. 24-5972000
Qualified in Kings County
Commission Expires March 30, 19*80*

STATE OF *New York,*
COUNTY OF *New York,*) ss.:

On this *26th* day of *June* 1979, before me personally appeared *Lawrence D. Stillman*, to me personally known, who being by me duly sworn, says that he is Vice President of AETNA BUSINESS CREDIT, INC., that one of the seals affixed to the foregoing instrument is the seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Ann Dellarocco
Notary Public

[Notarial Seal]

My Commission expires

ANN DELLAROCCO
Notary Public, State of New York
No. 24-5972000
Qualified in Kings County
Commission Expires March 30, 19*80*

CONSENT AND AGREEMENT

The undersigned, UPPER MERION AND PLYMOUTH RAILROAD COMPANY, a Pennsylvania corporation (hereinafter called the Lessee), the lessee named in the Lease (hereinafter called the Lease) referred to in the foregoing Assignment of Lease and Agreement (hereinafter called the Lease Assignment), hereby (a) acknowledges receipt of a copy of the Lease Assignment and (b) consents to all the terms and conditions of the Lease Assignment and agrees that:

(1) it will pay all rentals, casualty payments, liquidated damages, indemnities and other moneys provided for in the Lease (which moneys are hereinafter called the Payments) due and to become due under the Lease or otherwise in respect of the Units (as defined in the Lease) leased thereunder, directly to AETNA BUSINESS CREDIT, INC. (hereinafter called the Vendor), the assignee named in the Lease Assignment, at The Connecticut Bank and Trust Company, One Constitution Plaza, Hartford, Connecticut 06115, Account No. 144-256-2 (or at such other address as may be furnished in writing to the Lessee by the Vendor);

(2) in accordance with the provisions of the Lease Assignment, the Vendor shall be entitled to the benefits of, and to receive and enforce performance of, all the covenants to be performed by the Lessee under the Lease as though the Vendor were named therein as the Lessor;

(3) the Vendor shall not, by virtue of the Lease Assignment or this Consent and Agreement, be or become subject to any liability or obligation under the Lease or otherwise; and

(4) the Lease shall not, without the prior written consent of the Vendor, be terminated or modified, nor shall any action be taken or omitted by the Lessee the taking or omission of which might result in an alteration or impairment of the Lease or the Lease Assignment or this Consent and Agreement or of any of the rights created by any thereof.

This Consent and Agreement shall be deemed to be a contract under the laws of the Commonwealth of Pennsylvania

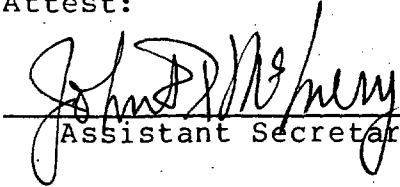
and, for all purposes, shall be construed in accordance with the laws of said State.

UPPER MERION AND PLYMOUTH RAILROAD
COMPANY,

by  _____

[Corporate Seal]

Attest:



Assistant Secretary